



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0407	Title:	Increase certain vehicle registration fees to benefit Virginia/Nevada cities
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Primary Sponsor:	Court, Virginia	Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$1,320	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$233,926	\$473,279	\$490,506	\$504,192
Net Impact-General Fund Balance:	<u><u>(\$1,320)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: This bill will increase state special revenue for the Department of Fish, Wildlife, and Parks through increased registration fees for off-highway vehicles, quadricycles, motorcycles, motorhomes, travel trailers, boats/personal watercraft, and snowmobiles. The fee increase is set at \$6 and the additional funds raised will be used by the Montana Heritage Commission for the restoration, maintenance, and operation of the historic properties in Virginia and Nevada City. The Montana Enhanced Registration and Licensing Information Network (MERLIN) will need to be re-programmed for the increase and distribution of the fees.

FISCAL ANALYSIS

Assumptions:

Department of Justice

1. Registrations for the vehicles subject to the fee increase outlined in HB 407 are counted by registration category for FY 2014 and then added together to get an estimate of the total number of vehicles that would

be affected by the increased registration fee. The proposed \$6 fee increase is applied to this group of vehicles in order to establish a base from which to project revenue for future years.

2. For purposes of estimating the fiscal impact of this bill, it is assumed that revenue collections from the increased fees will track the growth in revenue from all vehicle taxes and fees.
3. FY 2014 registration counts of the vehicles affected by HB 407 are shown below, along with an estimated dollar value of the fee increase had it been applied to the FY 2014 group of vehicles.

Registration Type	FY 2014
Motorhome Annual Registration	16,327
Motorhome Permanent Registration	2,172
Travel Trailer Registration	11,082
Snowmobile Registration	3,845
Boat/Personal Watercraft Registration	8,837
Motorcycle Registration	15,028
On-Road	10,609
Off-Road	4,419
Quadricycle/Other OHV Registration	18,816
On-Road	8,536
Off-Road	10,280
Total Registrations	76,107
HB 407 Fee Increase	\$ 6.00
Estimated Value of Fee Increase	\$ 456,642

4. Estimated revenue growth from the FY 2014 base is presented in the table below. This bill is not effective until January 1st, 2016, so the revenue shown in the following table for FY 2015 does not represent revenue for the State of Montana, but is included to show the progression of revenue growth from the FY 2014 stating point.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Estimated Annual Revenue from the Fee Increase Proposed in HB 407	\$456,642	\$462,076	\$467,852	\$473,279	\$490,506	\$504,192
HJ2 Growth in Vehicle Taxes & Fees	-	1.19%	1.25%	1.16%	3.64%	2.79%

5. Since HB 407 is not effective until the second half of FY 2016, revenue collected in that year is estimated to be only half of what is shown in the table above.
6. It is estimated that there are 12 hours of configuration to the Montana Enhanced Registration and Licensing Information Network (MERLIN) necessary to meet requirements set forth in this bill for a total cost of \$1,320. (12 hours x \$110 per hour= \$1,320).

Department of Commerce

7. Beginning January 1, 2016, the Montana Heritage Commission (MHC) would receive \$6.00 from the registration of each off highway vehicle, quadricycle and motorcycle, motorhome, travel trailer, boat and personal watercraft, and snowmobile.
8. If this legislation were to pass, MHC will request additional funding to its overall budget for the preservation, protection and enhancement of heritage commission properties and the artifacts it manages. To

date, MHC manages 273 Historical registered buildings and 1,234,714 registered Americana artifacts. Virginia and Nevada City and Reeder's Alley are among the largest historic sites in the United States.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$1,320	\$0	\$0	\$0
TOTAL Expenditures	\$1,320	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,320	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$1,320	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$233,926	\$473,279	\$490,506	\$504,192
TOTAL Revenues	\$233,926	\$473,279	\$490,506	\$504,192
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,320)	\$0	\$0	\$0
State Special Revenue (02)	\$233,926	\$473,279	\$490,506	\$504,192

Sponsor's Initials

Date

Budget Director's Initials

Date